

## Police Officers and Fire Fighters' Retirement System (FD0)

**Proposed Operating Budget (\$ in thousands)**

**\$49,500**

### FY 2001 Proposed Budget by Control Center

The basic unit of budgetary and financial control in the District's financial management system is a control center. The Police Officers and Fire Fighters' Retirement System is comprised of one control center that serves as the major component of the agency's budget.

### FY 2001 Proposed Budget by Control Center

(Dollars in Thousands)

Police Officers' and Fire Fighters' Retirement System

Control Center	Proposed FY 2001 Budget
1000 POLICE / FIREFIGHTERS RETIREMENT SYSTEM	49,500
FD0 Police Officers' and Fire Fighters' Retirement System	49,500

### Agency Overview and Organization

The Police Officers and Fire Fighters' Retirement System provides annuity payments and other retirement and disability benefits for the District Metropolitan Police and Fire Department retirees and survivors. The FY 2001 proposed budget for the Police Officers and Fire Fighters' Retirement System is \$49,500,000, and increase of \$9,600,000 over the FY 2000 budget. The FY 2001 funding level is based on the certified actuarial analysis from the D.C. Retirement Board. The FY 2001 employer contribution rate for covered payroll is 18.8 percent for police officers and 22.3 percent for fire fighters. For FY 2001, an additional \$2,100,000 is included to implement increased benefits for police officer and fire fighter survivors.

Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (the "Act"), the federal government assumed the District's unfunded pension liability for the retirement plans of the teachers, police officers, firefighters and judges. Pursuant to the Act, the federal government pays the future retirement, death and a share of the disability benefits earned by the beneficiaries vested prior to June 30, 1997 (the freeze date). Benefits earned after the freeze date by teachers, police officers and firefighters remain the responsibility of the District of Columbia.

The District transferred most of the current pension assets to a trust, established by the U.S. Treasury. The District retained approximately \$1,275,000,000—from the Teachers' and Police Officers and Fire Fighters' Retirement Systems—of the total assets of the pension funds for the benefit of the future pension beneficiaries.

## FY 2001 Proposed Operating Budget

The Police Officers and Fire Fighters' Retirement System's Operating Budget is composed of one category: Nonpersonal Services (NPS).

Within the NPS budget category are several object classes of expenditure such as supplies and materials, utilities, communications, rent, other services and charges, contractual services, subsidies and transfers, equipment and equipment rental, and debt service.

Authorized spending levels present the dollars and related full-time equivalents (FTE) by revenue type. Revenue types include: Local (tax and non-tax revenue not earmarked for a particular purpose); Federal (revenue provided by the federal government to support federally established programs or grants for a particular purpose); Private and Other (charitable contributions and fees from fines, etc); and Intra-District (payments for services provided by one District agency to another District agency).

### FY 2001 Proposed Operating Budget

(Dollars in Thousands)

Police Officers' and Fire Fighters' Retirement System

Police Officers' and Firefighters' Retirement System								
Object Class	FY 1999 Unaudited		Budget FY 2000		Proposed FY 2001		Variance	
Subsidies and Transfers	35,100		39,900		49,500		9,600	
Subtotal for: Nonpersonal Services (NPS)	35,100		39,900		49,500		9,600	
Total Expenditures:	35,100		39,900		49,500		9,600	
Authorized Spending Levels by Revenue Type:			FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local			0	35,100	0	39,900	0	49,500
Total:			0	35,100	0	39,900	0	49,500

## Agency Funding Summary

The proposed FY 2001 operating budget *for all funding sources* is \$49,500,000, an increase of \$9,600,000 or 18.8 percent, over FY 2000 approved budget. The Police Officers and Fire Fighters' Retirement System receives funding from local sources. There are no FTEs supported by this control center.

- **Local.** The proposed *local* budget is \$49,500,000, an increase of \$9,600,000 over the FY 2000 budget. The entire increase is in nonpersonal services.

The change in nonpersonal services is comprised of:

- \$9,600,000 increase based on the certified FY 2001 actuarial statement and an additional contribution to increase benefits for police officer and fire fighter survivors.